

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SANTIAGO PINEDA, all others)
similarly situated under)
29 U.S.C. 216(b), and)
MARIA PENA,)
)
Plaintiffs,)
)
vs.) 3:13-CV-00588-B
)
JTCH APARTMENTS, LLC)
and SIMONA VIZIREANU,)
)
Defendants.)

MOTION HEARING
BEFORE THE HONORABLE JANE J. BOYLE
UNITED STATES DISTRICT JUDGE
FEBRUARY 19, 2016

A P P E A R A N C E S

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SHAWNIE ARCHULETA, CSR/CRR
FEDERAL COURT REPORTER - 214.753.2747

1 (In open court at 10:04 a.m.)

2 THE COURT: Good morning. For the record,
3 this is Civil Action 3:13-CV-588, Santiago Pineda
4 and Maria Pena v. JTCH Apartments and Simona
5 Vizireanu.

6 We are here this morning over an issue
7 with regard to the supersedeas bond. The specific
8 reason the Court set this was triggered by a couple
9 of events, which include the plaintiffs' motion for
10 clarification regarding the Court's order, Document
11 125 and in February 9 of 2016, which granted the
12 motion to stay filed November the 24th.

13 Let's begin this discussion by having the
14 parties introduce themselves, starting with counsel
15 for the plaintiffs.

16 MR. MANTEUFFEL: Robert Manteuffel for
17 plaintiffs here today, with Joshua Petersen.

18 MS. KING-MAYS: Nadine King-Mays with JTCH
19 and Simona Vizireanu.

20 THE COURT: The purpose of this is two or
21 three-fold. I understand that perhaps the motion
22 for clarification may not be ripe for decision or it
23 may be moot at this point, given, as I understand
24 it, the dismissal of the garnishment action that was
25 filed, but I want to hear from both sides on this.

1 I did tell the parties, through whoever
2 called when they were asking if the hearing would go
3 forward, that it was going forward, because I have a
4 number of concerns about events in this case. And
5 let me just start by giving you all those concerns,
6 and then I want to hear a little bit from you on a
7 couple of different topics.

8 This case, of course, was tried last year.
9 The plaintiffs prevailed and were awarded a certain
10 amount, 1,400-something dollars damages and then
11 later liquidated damages and a little more than that
12 and then estimated 70,000-plus in attorney's fees.

13 The case was appealed and a motion to stay
14 the judgment was filed November the 24th. While
15 that motion was pending, which was opposed by
16 plaintiffs' counsel, a garnishment action was filed
17 separately, as it has to be. And my office received
18 a message on our message machine from Ms. King-Mays
19 that her client's accounts had been garnished for
20 double, perhaps, what they were worth, something to
21 that nature. It was a panicked phone call, and it
22 caused the Court a great deal of concern given that
23 the Court had not ruled on the motion to stay. And
24 if it was that urgent, perhaps somebody could have
25 called. I'm not saying it was right to wait for it

1 that long, but in any event it was pending,
2 nonetheless. And I find out there's a garnishment
3 action and Ms. King-Mays' client's accounts had been
4 basically frozen, something to that nature. So it
5 seemed to me appropriate to go ahead and do
6 something with the pending motion, which I went
7 ahead and granted motion to stay. Then I received a
8 motion for clarification.

9 So that's part of why we are here. The
10 other concern I have is, besides the going and
11 filing of an action that essentially collided with
12 the proceedings in this case, given that it was a
13 pending motion to stay, is how it is that this
14 garnishment action operated so quickly. It sounds
15 as soon as the case was filed and the bank was
16 served that the accounts were shut down, and I'm not
17 even sure from Ms. King-Mays or from anything she's
18 filed whether or not they had even gotten notice of
19 it and how that time frame worked so quickly and so
20 prejudicially toward what it appears to be toward
21 Ms. King-Mays' client.

22 So with all of that, I'm going to start
23 with you, Mr. Manteuffel, because I am concerned
24 about what happened here and I don't want to see
25 that happen in the future. Maybe I have missed some

1 facts and you can help us out.

2 MR. MANTEUFFEL: May it please the Court.

3 The motion to stay was filed November the 24th, and

4 we filed our response duly 21 days thereafter. No

5 reply was ever find. No bond was ever filed.

6 There's was no indication that a bond had, in fact,

7 been procured. We waited for days after that and,

8 in fact, more than 30 days after that.

9 THE COURT: What legal right does 30 days
10 waiting give you for a pending motion to proceed on
11 action that is sought to be stayed in a pending
12 motion? Where does the 30 days somehow exculpate
13 you?

14 MR. MANTEUFFEL: To us it was a reasonable
15 period of time to allow the defendants to come
16 forward with their bond. They said that 30 days
17 after they filed their motion that they would know
18 and could post a bond in the amount that they had
19 requested of 91,000-and-some dollars. Nothing was
20 done.

21 The case from the inception is it's been
22 very difficult to get the defendants to move absent
23 some extraordinary circumstance. We waited 30 days
24 even after that. And then in a collection action,
25 it is always very difficult, especially garnishment.

1 Because if you give notice to the other side, there
2 is a chance the accounts will be emptied and then
3 your client loses any potential security.

4 And the affidavit of Ms. Vizireau attached
5 to the original motion sets out that they have no
6 assets capable of answering that. They are applying
7 for a loan, I understand that, but I had to take
8 some action to try to protect my clients' interests.

9 The speed of the garnishment is in effect,
10 I believe, of the fact that when a garnishment is
11 filed, we are required to use a peace officer to
12 serve it. And a constable out of Precinct 1 did, in
13 fact, serve it on CT Corporation, who is the
14 registered agent for the bank. And I have to serve
15 the registered agent for the bank, that's the only
16 way the garnishment will be effective.

17 Once the bank receives through CT
18 Corporation notice of the garnishment, I am under
19 the impression that the bank freezes the funds at
20 that time. No one from the bank contacted me. They
21 would answer the lawsuit within 21 days is what
22 normally would happen.

23 Ms. Vizireau did get notice, I believe,
24 probably the next day after it was served on the
25 bank, because she did call me in my office, and the

1 only counsel I could give her was to contact her
2 lawyer and go through it with Ms. King-Mays because
3 I wasn't in a position, really, to give her any sort
4 of counsel or discussion on the issue since she's
5 represented by counsel. So I'm in that box as well.

6 Subsequent to that, I know the Court
7 contacted us. We did not hear anything from the
8 bank, which is not unusual because they have to
9 assign it to a lawyer and then get in touch with us
10 when they file their answer.

11 Based upon a garnishment that we had with
12 Bank of America some period of time ago, probably
13 over a year, I knew they had a lawyer in Houston who
14 handled these matters. He had changed firms. We
15 did find him and provided his information back to
16 the Court.

17 THE COURT: I wanted someone from the bank
18 to explain to me how it is that they immediately
19 froze those accounts. What's the legal process,
20 what's the rules, what's the protocols for doing
21 that when, in fact, it sounds as though it perhaps
22 was a bit unorthodox. I don't know. I'm trying to
23 find out if that's the way you operate, if that's
24 the way you think it should operate, and then we
25 need to figure out how we can prevent that from

1 happening in the future.

2 MR. MANTEUFFEL: The procedure is, in
3 fact, that when the bank serves notice of
4 garnishment the bank will secure funds to satisfy
5 the garnishment. The garnishment we applied for was
6 only the amount of the judgment, which is about
7 92,000-and-some, off the top of my head. We never
8 made application for anything in excess of the
9 judgment, and I cannot garnish in excess of the
10 judgment, that would be illegal. Why the bank froze
11 180-some-odd-thousand, I have no idea. They did not
12 share that with me.

13 THE COURT: Mr. Manteuffel, there is a
14 case that you were involved in. Judge Toliver wrote
15 an opinion. It was an FLSA case, Pedro Garcia
16 Arriaga v. Jess Enterprises where, once again, you
17 were called to answer for what Judge Toliver found,
18 at least in part, was a flawed garnishment process.
19 And the notice wasn't -- was patently untimely. And
20 so this isn't the first time you have been called
21 out for a garnishment conduct that appeared
22 unorthodox to the Court or unsavory.

23 MR. MANTEUFFEL: In Judge Toliver's case,
24 what we did not get out in time was the return from
25 the peace officer. In fact, I didn't get the return

1 from the peace officer in this case until about a
2 week after it was served. Once we have the actual
3 return, then we are required to serve it on the
4 judgment debtors, which would be the defendants in
5 the underlying case within 21 days. In that
6 particular case, I was in trial, I had a new
7 associate, we did not get it out. There is not a
8 specific time frame set in the rule, but we would
9 have had that period of time.

10 THE COURT: She said it was patently
11 untimely.

12 MR. MANTEUFFEL: Right, because it was
13 more than 21 days.

14 THE COURT: And dissolved the writ.

15 MR. MANTEUFFEL: Yes, that's correct,
16 because it was more than 21 days after we had --
17 after the writ had been served. But I have to have
18 the return from the constable in order to make that
19 filing.

20 THE COURT: Let's back up a minute. Did
21 you have any qualms about filing this garnishment
22 action when the Court hadn't ruled upon the motion
23 to stay the judgment?

24 MR. MANTEUFFEL: I thought about it for an
25 extra 30 days. That's why I took the extra time. I

1 gave Ms. King-Mays --

2 THE COURT: You've already told me that.

3 Did you have any reservations and think
4 perhaps it might have been appropriate to notify the
5 Court, file an expedited motion, at least call and
6 ask for a hearing on the motion or something of that
7 nature to figure out if it was appropriate to file a
8 whole separate action?

9 MR. MANTEUFFEL: Since I represent my
10 client and have to protect their interests, Your
11 Honor, I have to set my qualms aside and try to do
12 the best I can.

13 THE COURT: Mr. Manteuffel, this is
14 outrageous, I think, that you handled this action in
15 this way. And I'm concerned about some of the
16 tactics I've seen from you in some of these cases.

17 The last trial that we had, the woman who
18 was your plaintiff who was the witness against these
19 two businessmen took them two, two and a half, three
20 years to go through a case that was based upon
21 falsities, lies. She wasn't telling the truth. I
22 don't think the jury believed she was telling the
23 truth. And I certainly, as I mentioned during the
24 hearing, didn't think she was telling the truth.

25 And then within a few weeks after the

1 holidays, I get this emergency call from
2 Ms. King-Mays that you've gone ahead and filed a
3 separate action and garnished her clients' accounts,
4 which, however you try, I haven't heard anything yet
5 that justifies yet what you did in my view.

6 It's of concern to me. I don't want to
7 see this happening again, and I hope it doesn't
8 happen anywhere else in the courtroom again. Do you
9 understand -- I'm giving you an opportunity to cite
10 me to a rule or a process or something that
11 justified you going ahead and filing a separate
12 garnishment action when the issue of whether or not
13 you could do such was still pending in this court.

14 MR. MANTEUFFEL: I do not believe that the
15 filing of a motion requesting a stay stays the
16 execution, Your Honor. The only thing that would
17 stay execution would be the posting of the bond,
18 itself, and that is under the rules of the State of
19 Texas for garnishment.

20 THE COURT: Your briefing says the rules
21 of the State of Texas don't apply.

22 MR. MANTEUFFEL: With regard to setting
23 the amount of the bond, that's correct.

24 THE COURT: So if you will answer my
25 question.

1 MR. MANTEUFFEL: I believe that the
2 granting -- the filing of the motion does not in and
3 of itself stay execution.

4 THE COURT: When you filed the garnishment
5 action, did you note in any of your filings that
6 there was this separate related case?

7 MR. MANTEUFFEL: In the cover sheet for
8 the filing, yes, Your Honor.

9 THE COURT: All right. Is there anything
10 else that you can tell me to justify what happened
11 here?

12 MR. MANTEUFFEL: I believe that I had to
13 do that to protect the interests of my clients in
14 light of the fact that every filing I had indicated
15 that these defendants did not have assets sufficient
16 to answer the judgment.

17 THE COURT: Mr. Manteuffel, I'm just going
18 to tell you right now that you can take that
19 position perhaps if another court agrees with you,
20 but I don't. If this comes up again, you are on
21 record in this court for having what I think engaged
22 in a questionable practice with regard to getting
23 your money, the majority of which you will concede
24 is attorney's fees.

25 I want to hear from Ms. King-Mays, and

1 then I want to hear back from you if you have
2 anything else to say. But we're here today because
3 I have serious misgivings about your conduct and the
4 way you handled this case.

5 Ms. King-Mays, come on up. I saw your
6 response. I want to hear -- you've heard what
7 Mr. Manteuffel has to say, and I would like to hear
8 your response.

9 MS. KING-MAYS: Your Honor, our concern
10 with what happened in this case was based upon the
11 fact that Mr. Manteuffel, throughout the course of
12 the litigation, understood that this particular
13 piece of property is the property that my client
14 purchased basically from their retirement. Her
15 husband is incapacitated. This is the only way that
16 they make money. This is it.

17 Her husband, as I indicated, he's on
18 Medicare. There's a Medicare set aside account for
19 him, which this particular garnishment action hit
20 and basically took out \$182,000 from a
21 110,000-dollar account which is supposed to be
22 federally protected.

23 I contacted Mr. Manteuffel and I explained
24 to him that the amount hit that account and asked
25 specifically, you know, to release the bond --

1 release the garnishment because of that, because
2 they have to report to the federal government about
3 the money disappearing from that account. But he
4 indicated the garnishment will go forward.

5 My concern also is this --

6 THE COURT: So he gave you no
7 consideration about the fact that this was this
8 Medicare account.

9 MS. KING-MAYS: No. He just said, the
10 garnishment will go forward. I attached that in my
11 response.

12 The concept that he says that the rules of
13 Texas do not apply in this instance regarding
14 setting of the bond runs completely counter to the
15 brief that they filed where they indicated they
16 should get twice the amount of the judgment basing
17 that on some, you know, obscure notion that used to
18 exist in Texas law where you would get twice the
19 bond, but that was usually in eviction cases. But
20 it's not the case in the way that bond is determined
21 in Texas courts. In Texas courts, in fact, it
22 doesn't even include attorney's fees. The bond is
23 only based on the judgment itself.

24 So my concern was, if you want to go the
25 Texas route, then let's go the Texas route. If we

1 are going to go the federal court route, let's go
2 the federal court route, which was the judgment, the
3 fees, costs, 20 percent for delay and \$250. This is
4 what we offered for the bond; they opposed it.

5 This is the reason that we were waiting.
6 If they had said, great, the amount is fine, we
7 could have gone out -- we had the money sitting at
8 the bond company. We had the name of the bond
9 company in our documents. If they had any questions
10 regarding whether or not this was a collateralized
11 bond, which it was, we would have told them, yes,
12 this is collateralized; this is cash that's securing
13 this bond. They never asked. Not once did they
14 ask, because I don't think that that was the point
15 in this. I think the point was to try to basically
16 nail us to the wall. Because understand, if they
17 had said at the beginning, okay, \$93,000, that
18 sounds like a sufficient bond, the bond would have
19 been done as we had it in this instance done in
20 three days. There was -- it was there, it was
21 ready. We would have done it.

22 But I think the whole point of objecting
23 to the amount of the bond was to do this, was to
24 actually have the garnishment. Because there's of
25 course this knowledge that a garnishment action in

1 Texas court does not have to wait for the
2 determination from the Court on the supersedeas
3 bond. If they have the judgment, they can just run
4 out and start placing these garnishment actions all
5 around. But that's only if they do not believe that
6 there is any money, any property in the state that
7 they can actually get their judgment from.

8 The statement that we had the bond at the
9 Great American Insurance Company, they were just
10 waiting on the amount. That was all we were waiting
11 for and the form of the bond to be approved. And
12 then to have Mr. Pineda sign an affidavit that,
13 based on his knowledge acquired while he was an
14 employee at the apartment complex -- where he is a
15 maintenance man, has no contact whatsoever with the
16 books, finances, property, nothing -- why would he
17 have an affidavit saying that based on his
18 information as an employee, he believed that they
19 didn't have the property.

20 This is not a client argument. This is an
21 attorney's argument. This was an attorney action.
22 I don't believe that if Mr. Manteuffel had told
23 Mr. Pineda, okay, a significant portion of this is
24 our fees and our costs. We think that they can
25 probably afford to pay you, they just can't afford

1 to pay us, I don't think he would have signed that
2 document. I don't even know if he understood what
3 he signed. And signing something like that under
4 penalty of perjury I think is very dicey to do to a
5 client.

6 But our position is that we had no problem
7 paying the bond. She borrowed the money to get the
8 bond so that this thing that happened would not
9 happen. Of course the problem was that 182,000,
10 which is twice the amount of the judgment, was taken
11 out of every account so it ended up being \$546,000
12 being held.

13 THE COURT: Did you tell Mr. Manteuffel
14 this?

15 MS. KING-MAYS: Yes, but the garnishment
16 would proceed.

17 THE COURT: I'm sorry?

18 MS. KING-MAYS: But that they were going
19 to proceed with the garnishment.

20 And again, I understand having to make
21 sure that the judgment is going to be paid. That's
22 why we said we would pay the bond so we would make
23 certain that everybody is fine, we move forward with
24 the appeal with nothing like this happening to
25 anyone.

1 Again, my client, you know, she's in
2 California. She doesn't even live here. You know,
3 when she went to the bank and saw all their money
4 gone, her husband's account affected -- and he's
5 very, very precarious in his health, and she is too,
6 she almost had a heart attack, you know. So we are
7 just concerned that something like this happens when
8 we were all too willing to put the bond up, and I
9 don't understand.

10 THE COURT: So her account is frozen for
11 upwards of \$500,000 over a judgment in the
12 plaintiffs' favor of \$1,426 and 3,775.50 and then
13 the larger amount of attorney's fees, that shut down
14 her accounts.

15 MS. KING-MAYS: Yes.

16 THE COURT: Now, did you call the bank and
17 find out what the heck was going on?

18 MS. KING-MAYS: They would not speak to
19 me.

20 THE COURT: They wouldn't speak to you.

21 MS. KING-MAYS: No. In fact --

22 THE COURT: Did you ask Mr. Manteuffel for
23 a contact name or anything?

24 MS. KING-MAYS: I called -- in order, my
25 client called the bank. When she called the bank,

1 they sent her a letter telling her that she had to
2 call this number. The number she called was
3 actually Mr. Manteuffel. She thought it was the
4 bank down here, but it was Mr. Manteuffel. He told
5 her to contact me. She contacted me. I said, get
6 me your bank officer. The bank officer, however,
7 said that the legal department would only speak to
8 Mr. Manteuffel. So we --

9 THE COURT: Did you tell Mr. Manteuffel
10 that?

11 MS. KING-MAYS: I don't know if I told him
12 that they would only speak to him or not, but I did
13 contact him and ask him, you know, to release --
14 because they said they would not take a release from
15 us, it had to be from him. So that's why I asked
16 him to release the garnishment, and they indicated
17 that they were going to proceed with it.

18 THE COURT: So far as the actual series of
19 events, once the action was filed and served on the
20 bank, do you take issue at all with the manner in
21 which the bank proceeded in terms of notice to your
22 client or a chance for you to be served and all of
23 that, because this isn't something that comes up in
24 this court very often and there's a wide mix of
25 rules and regulations that apply to this, and I

1 wanted to hear from you on that.

2 MS. KING-MAYS: Well, our concern is that
3 we didn't know anything about this until after
4 everything had happened. I called Mr. Manteuffel
5 and asked them to please give me a copy, whatever it
6 is that happened, because there's nothing in the
7 file. And then that's when we realized it was a
8 separate garnishment action. They sent that to me,
9 I believe, on the 9th or the 10th.

10 THE COURT: And so of course you would not
11 have been notified because you were not a party to
12 that.

13 MS. KING-MAYS: Exactly. I know there are
14 rules regarding when it is that the individual who
15 has been -- the third party, who the garnishee is
16 related to, the judgment debtor, the timing that
17 they have to be informed. But under the
18 circumstances, since we had an ongoing motion
19 regarding this issue, I would have expected
20 Mr. Manteuffel to call me and say, you know what, I
21 don't think that you have the money and I think that
22 you are stalling.

23 THE COURT: And you never reached -- what
24 I'm hearing you say is there was never actually an
25 impasse reached with regard to your back-and-forth

1 with him on the bond in this case?

2 MS. KING-MAYS: No. We never discussed
3 it. We just filed the motion; they filed the
4 response. They never called and said, I don't
5 believe that you really have the money, show us what
6 you've got. We would have showed it to them and
7 said, no, it's right here, and they could have
8 called the insurance company and told them, it's
9 right here.

10 My position is, since the amount that they
11 garnished was from Mr. Manteuffel's statement, the
12 amount of the judgment -- there was more the amount
13 of judgment that we had offered in order to bond.
14 So why not say yes to that amount instead of saying,
15 no, you have to pay us twice that, you have to bond
16 twice the amount. That's what doesn't make sense to
17 me. So you have to bond twice the amount but then
18 turn around and garnish the amount of the judgment,
19 which we had already offered. That doesn't make
20 sense.

21 THE COURT: Backing up a minute, then. In
22 your experience, do you take issue with any of the
23 procedures taken by the bank in this case in going
24 forward with the garnishment as they did?

25 MS. KING-MAYS: My concern is not as much

1 with the bank's actions as they are with
2 Mr. Manteuffel's, because he knows my phone number
3 and I know his. If he thought that there was a
4 problem, he thought he had waited too long, for him
5 to say, you don't have the money. There is an
6 apartment complex there. The reality is, even if
7 they wanted to, they could have sold the apartment
8 complex, took their money and just threw the change
9 back at her if they wanted to. This is what the
10 rights were, which is why we filed the supersedeas
11 bond to keep something like that from that
12 happening.

13 THE COURT: I guess I'm still not
14 100 percent clear. The bank would not give your
15 client or you contact information for the bank?

16 MS. KING-MAYS: No. No.

17 THE COURT: Do you remember who you talked
18 to?

19 MS. KING-MAYS: The only person I asked
20 was Mr. Manteuffel, and he gave me the name of the
21 attorney in Houston.

22 THE COURT: When was that?

23 MS. KING-MAYS: That was, I guess, on the
24 10th. And then, you know, we were already rolling
25 into action. By the time we got the order on the

1 9th, the assurance company had done the bond on the
2 10th, sent it to California on the 11th and
3 overnighted it to me to come to court on the 12th.

4 THE COURT: Did you talk to the lawyer in
5 Houston?

6 MS. KING-MAYS: Yes.

7 THE COURT: What did you say to him?

8 MS. KING-MAYS: I spoke to him and told
9 him, this thing has gone insane. You have garnished
10 six times the amount of the judgment. And he didn't
11 know that that had happened and that should not have
12 happened, but he would check into it right away.

13 And once he said he would check into it right away
14 was -- that was all there was, because after that we
15 got the judgment -- excuse me. We got the bond
16 filed, we sent it out to everyone. Of course it was
17 Friday before the holiday on the Monday, so we
18 didn't start getting anything rolling actually until
19 the Tuesday. But even now she is scrambling trying
20 to make payments -- cover these payments for
21 everything that bounced when the account was frozen.

22 THE COURT: The status is right now
23 everything is back to normal?

24 MS. KING-MAYS: As of yesterday.

25 THE COURT: As of just yesterday.

1 MS. KING-MAYS: Yes.

2 THE COURT: So how long were the accounts
3 frozen.

4 MS. KING-MAYS: They were frozen beginning
5 on the 8th. And they were just unfrozen yesterday,
6 but they are still -- the payments and things are
7 still bouncing back from that, and now she's
8 incurring the fees.

9 THE COURT: Okay. Ms. King-Mays, is there
10 anything else you would like to say?

11 MS. KING-MAYS: No, Your Honor. Our
12 position is we're just trying to move forward. We
13 are just trying to move forward on this with the
14 least amount of consternation, and this has caused a
15 lot.

16 THE COURT: Thank you.

17 Mr. Manteuffel, anything else you would
18 like to say?

19 MR. MANTEUFFEL: In the first instance, as
20 for our client's affidavit, what we speak about with
21 our client of course is privileged. But the
22 affidavit of the defendants indicates that they
23 don't have sufficient property to answer the
24 judgment in the state of Texas. If Ms. King-Mays
25 had the funds and the bonding available based upon

1 the motion she filed, I would have expected to see
2 the reply, inform us and the Court of that within
3 the timely filing period.

4 THE COURT: You would have expected, but
5 there was never a final impasse as I understand it.
6 There was some ongoing negotiations, and you-all
7 just sort of left it. Is that pretty much what
8 happened? There was never a final impasse as to,
9 this is not going to be what you need,
10 Mr. Manteuffel, from their end?

11 MR. MANTEUFFEL: No. That's a correct
12 statement of fact, Your Honor.

13 With regard to the bank, I did, in fact,
14 talk to the bank's lawyer immediately after I was
15 able to locate him when the Court asked me to do
16 that --

17 THE COURT: You had already given that
18 name to Ms. King-Mays.

19 MR. MANTEUFFEL: This was actually before
20 that.

21 THE COURT: Okay.

22 MR. MANTEUFFEL: -- and told him that the
23 garnishment was only for the amount of the judgment,
24 90-some-thousand dollars, and there was no reason in
25 the world to keep any money in excess of that. I

1 think that was probably on the 9th.

2 THE COURT: What did he say?

3 MR. MANTEUFFEL: He understood that, and I
4 had no further conversation with him on that issue.

5 THE COURT: Did you ask him to fix the
6 situation?

7 MR. MANTEUFFEL: I told him I didn't want
8 anymore held than that, yes, Your Honor. The
9 conversations about holding \$500,000, that's news to
10 me. I don't remember having those with
11 Ms. King-Mays.

12 THE COURT: Do you dispute that? Do you
13 say she's wrong?

14 MR. MANTEUFFEL: I dispute the fact that
15 all of those conversations took place.

16 THE COURT: Do you dispute the fact that
17 it was 500,000-plus in accounts that were frozen?

18 MR. MANTEUFFEL: I have no idea.

19 THE COURT: So you dispute it.

20 MR. MANTEUFFEL: I don't know to dispute
21 it not.

22 THE COURT: Ms. King-Mays, he doesn't
23 agree that you had 500,000-plus that was frozen.

24 MS. KING-MAYS: In the response, I
25 attached -- our response for today, I attached the

1 bank statements showing 182,000 that was frozen in
2 three different accounts, which is \$546,000.

3 MR. MANTEUFFEL: I have no reason to
4 dispute that.

5 THE COURT: Pardon?

6 MR. MANTEUFFEL: I don't have any facts to
7 dispute that with, so I have no reason to dispute
8 that.

9 THE COURT: Did you see her response?

10 MR. MANTEUFFEL: Yes, I did. I have no
11 reason to dispute that, and I did not ask for that
12 amount of money to be garnished at all, ever.

13 THE COURT: Mr. Manteuffel, I just need to
14 hear from you that you understand that this was not
15 the proper way to proceed in this particular case
16 under these circumstances.

17 MR. MANTEUFFEL: I do acknowledge that,
18 Your Honor, and I understand that.

19 THE COURT: Okay. Whether or not you have
20 full authority to go freeze accounts when there's no
21 stay is the law as I understand it, and I don't
22 dispute that. Nonetheless, that's not your panacea
23 here.

24 The problem here is, you were in
25 negotiations with counsel that never really reached

1 an impasse. And then you go out and freeze these
2 accounts in a way that was extremely -- created
3 extreme hardships on her clients -- and you can't
4 deny that and I haven't heard you do that yet --
5 which apparently has caused her to bounce checks and
6 whatnot, just now got the situation unfrozen. And
7 to do this to her and to do this to her client when
8 this was ongoing without any involvement of the
9 Court whatsoever to me is just unprofessional. It's
10 not honorable.

11 However, whatever rules and laws you want
12 to say allows you to do this, I will tell you that
13 it's not professional. It's not honorable. It was
14 very unfortunate that you took this approach in this
15 case. And then once she called you and told you
16 what had happened, the fact that the bank would only
17 give out your number and the fact that you didn't
18 remedy the situation or get with her and fix it, it
19 causes me even more concern.

20 I guess what I'm saying to you, looking at
21 what happened with Judge Toliver in a completely
22 different context, but yet she said the timing of
23 the service in that case was patently untimely,
24 unreasonable, and here we are in another situation
25 where this is unorthodox. I have not seen this

1 happen before. I just don't want to see it happen
2 again.

3 MR. MANTEUFFEL: Yes, Your Honor. I
4 appreciate the Court's position and I understand.

5 THE COURT: As I understand it now, the
6 garnishment action is dissolved, I have granted the
7 motion to stay and there is nothing else to do with
8 regard to the bond in this case.

9 Do both sides agree with it?

10 MR. MANTEUFFEL: As I understand it, the
11 bond itself bears the Court's signature and by
12 virtue of that the bond is, in fact, approved.

13 THE COURT: I want to make sure we are all
14 in agreement that there is nothing more to be done.
15 I wanted to have you-all in here today to have this
16 conversation and to make sure I wasn't missing
17 something on these procedures or I was hearing it
18 straight from Ms. King-Mays as to what happened and
19 hearing it straight from you.

20 MS. KING-MAYS: As far as we are
21 concerned, the bond issue is resolved with regard to
22 this matter.

23 THE COURT: All right.

24 MR. MANTEUFFEL: Yes, Your Honor. What
25 normally would happen would be an order would be

1 entered by the Court approving the bond itself. I
2 understand that the Court has signed the bond.
3 That's why we pulled down the garnishment when we
4 saw the bond.

5 THE COURT: So there is nothing else to be
6 done on this. Both sides agree.

7 MS. KING-MAYS: No, Your Honor.

8 MR. MANTEUFFEL: No, Your Honor.

9 THE COURT: Let's just go forward. And
10 I'm sure I will have more cases with you,
11 Mr. Manteuffel, and I'm sure I will have
12 Ms. King-Mays in here again. We have been able to
13 operate in a way that seems to have moved along
14 relatively professionally. I was a little concerned
15 about that last case, but I just don't want to see
16 anything like this happen again.

17 MR. MANTEUFFEL: I understand, Judge.

18 THE COURT: If there is nothing else, we
19 will be in recess.

20 (Court in recess at 10:36 a.m.)
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C E R T I F I C A T E

I, Shawnie Archuleta, CCR/CRR, certify
that the foregoing is a transcript from the record
of the proceedings in the foregoing entitled matter.

I further certify that the transcript fees
format comply with those prescribed by the Court and
the Judicial Conference of the United States.

This 9TH day of July 2016.

s/Shawnie Archuleta
Shawnie Archuleta CCR No. 7533
Official Court Reporter
The Northern District of Texas
Dallas Division

My CSR license expires: December 31, 2016

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